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TRADE AND DEVELOPMENT BOARD
Committee on Invisibles and Financing
related to Trade
Thirteenth session (second part)
Geneva, 30 April 1990
Agenda items 3, 4 and 6

REVIEW OF INTERNATIONAL MONETARY AND FINANCIAL QUESTIONS RELATED TO TRADE AND DEVELOPMENT, INCLUDING, IN PARTICULAR, OFFICIAL DEVELOPMENT CO-OPERATION

DEBT AND MANAGING ADJUSTMENT: ATTRACTING NON-DEBT-CREATING FINANCING FLOWS AND NEW LENDING

REVIEW OF THE WORK PROGRAMME OF THE COMMITTEE

Resolution 34 (XIII) adopted by
the Committee on Invisibles and Financing related to Trade
at its 226th (closing) meeting, on 8 May 1990

The Committee on Invisibles and Financing related to Trade,

Recalling General Assembly resolutions 44/205 and 44/232, as adopted, Trade and Development Board resolution 375 (XXXVI), the Declaration adopted by the General Assembly at its eighteenth special session on international economic co-operation, and the assessment of the economic situation of the member countries in the 1980s, as mentioned in those documents, particularly as regards external indebtedness and the flow of resources to and from developing countries,

Recalling General Assembly resolution 1995 (XIX), relevant Acts and resolutions of successive UNCTAD Conferences, Board resolution 352 (XXXIV), which, by endorsing the report of the Ad hoc Intergovernmental Working Group on the In-Depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields (TD/B/1154), inter alia, called upon the Committee at its thirteenth session to give particular attention to the elaboration of a work programme, if possible for the four subsequent years; and recalling its terms of reference contained in Board decision 10 (I),

Recalling also the competences and activities of other international organizations and multilateral institutions,

Determined to maximize the usefulness of the Committee to its members,

I

1. Underscores the importance of the following:

(a) A concerted and committed effort by all countries to enhance the financing of development, thereby contributing to the success of structural adjustment and the reactivation of economic growth and development in developing countries. In this regard, special attention to efforts to enhance the mobilization of official resources (official development assistance (ODA), officially supplied or guaranteed export credits, and financing from multilateral institutions) and to foster and attract private resources (both lending and non-debt-creating flows) will be required, especially in order to contribute to the implementation of structural reforms for long-term development, including measures to alleviate the adverse social consequences of adjustment for poor and vulnerable groups. Bearing in mind paragraph 27 of the Declaration adopted by the General Assembly at its eighteenth special session, the Committee recognizes that, in view of the huge development tasks ahead, substantial additional aid efforts will be required, both qualitatively and quantitatively;

(b) Continued efforts by the major industrialized countries to promote sustained non-inflationary growth and to narrow imbalances in a manner that can benefit all countries, bearing in mind that the co-ordination of macro-economic policies should take account of the interests and concerns of all countries, including the particular concerns of developing countries;

(c) Continued efforts by developing countries, in fulfilment of their primary responsibility for their own development, to bring about sustained growth by pursuing development-oriented macro-economic stabilization and structural adjustment and reform, designed to respond to the needs of and maximize the potential of all members of society, through, inter alia, greater reliance on market signals, the promotion of domestic savings, and the achievement of favourable conditions for domestic and foreign investment, while keeping control over inflationary tendencies and protecting vulnerable groups;

(d) Achieving a durable and broad solution of the external debt problems of developing debtor countries by a rapid and effective ongoing implementation of the improved and strengthened debt strategy, taking into account, as appropriate, the specific needs of each country. Adequate and early solutions have also to be considered with a view to addressing the serious debt-servicing problems of some other countries. The debt situation of the least developed countries requires special attention.

II

1. Decides that the Committee should at each of its sessions consider a general item as well as a specific and well-defined issue, which would change from one session to the next, taking into account its mandate;

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2. Decides also that, at its fourteenth session, the Committee will, with the assistance of the UNCTAD secretariat, review, within the consideration of the general item, the determinants of the results of the adjustment experiences in member countries, with particular reference to factors of domestic support (including measures to reduce social disparities and enhance popular participation), the nature of structural adjustment measures, as well as the external contributory factors, including financial flows, among which ODA;

3. Decides further to take up at its fourteenth session the subject of the generation and mobilization of savings, taking account of domestic factors and relevant external forces and policies. The aspects of this subject to be examined would include, inter alia:

(a) National policies aimed at increasing domestic savings and attracting non-debt-creating flows to developing countries;

(b) The role of fiscal policies in determining the magnitude and patterns of savings and their consequences for the availability of capital, the level of interest rates and financial flows to developing countries;

(c) The development of national banking systems and of capital and stock markets in developing countries, and related issues, such as the financing of privatization and the role of financial services in development, taking into account national objectives and policies;

4. In the consideration of the above-mentioned items, the Committee will identify measures of technical assistance to enhance managerial and institutional efficiency in developing countries and other means to foster the relevant expertise.

226th meeting
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Agenda item 8

# PROVISIONAL AGENDA FOR THE FOURTEENTH SESSION OF THE COMMITTEE

Provisional agenda for the fourteenth session of the Committee submitted by the UNCTAD secretariat*/

1. Election of officers

2. Adoption of the agenda and organization of work

3. Adjustment experiences in member countries and related financial questions

4. The generation and mobilization of savings

5. Invisibles: insurance

6. Review of the work programme of the Committee

7. Other business

8. Provisional agenda for the fifteenth session of the Committee

9. Adoption of the report of the Committee to the Trade and Development Board.

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*/ Approved by the Committee at its 226th (closing) meeting, on 8 May 1990.

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